

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Semi Annual Investment Report for FY 08-09
December 31, 2008**

I. INTRODUCTION

In accordance with the investment ordinance adopted 7/19/05, an investment report is submitted to the Board of County Commissioners semiannually.

II. INVESTMENT OBJECTIVES

To ensure that excess funds of the Board of County Commissioners are invested in a manner to maximize yield and at the same time minimize risk, maintain liquidity and demonstrate legal compliance.

III. CASH AND INVESTMENT BALANCES AT DECEMBER 31, 2008

Cash and investments held by the County consist of: an interest-bearing checking account at Wachovia, certificates of deposit, U.S. Agency Securities, US Treasury Bills and Notes, an interest bearing NOW account at SunTrust, and the Florida Government Investment Trust Fund (FLGIT).

Funds invested include excess operating funds and proceeds from borrowings. At December 31, 2008, cash and investments amounted to \$296,278,186 compared to \$379,782,371, at December 31, 2007. A detail listing of these balances and the current yield is attached as Exhibit A.

IV. MATURITY DISTRIBUTION OF PORTFOLIO

Exhibit B demonstrates the maturity distribution of cash and investments held at December 31, 2008. This graph indicates that about 65% of our cash is invested in securities maturing within six months. The weighted average maturity of the portfolio at 12/31/2008 is 275 days or .75 years (Exhibit C). Our investment policy requires a weighted average maturity of less than two years.

V. MARKET AND INVESTMENT CONDITIONS:

The following is a summary of recent rates from prior reports compared to current rates:

<u>Type of Investment:</u>	<u>12/31/08</u>	<u>6/30/08</u>	<u>12/31/07</u>	<u>6/30/07</u>
Six month Treasury Bill	0.25%	2.13%	3.32%	4.77%
Two year Treasury Note	0.83%	2.63%	2.88%	4.86%
SBA	0.99%	2.43%	4.79%	5.39%

Interest rates have decreased significantly since June, 2008. In addition, the Fed Funds rate has decreased to a range of 0 to 0.25% as of December, 2008.

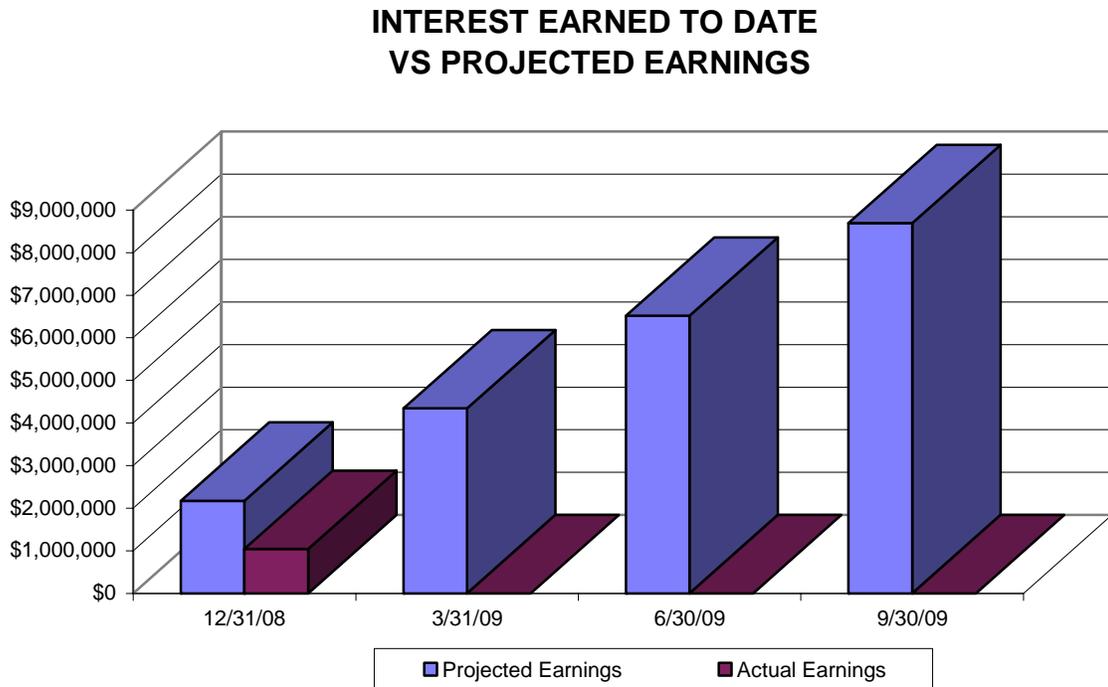
This rate determines the interest we receive on our Wachovia account. With short term interest rates at such low levels, we will concentrate our investments in the one to two year range. Our current weighted average interest rate is 3.052%.

VI. ECONOMIC DEVELOPMENTS

As you are aware, the country is experiencing a severe financial crisis and an economic recession. One of our financial objectives has always been safety of principal. We are investing funds carefully to ensure the return of principal. As a result, interest earnings will be lower than anticipated.

VII. INTEREST EARNED TO DATE VS PROJECTED EARNINGS

Our budget for interest income for 2009 is \$8,690,623. At December 31, 2008, our actual earnings were approximately \$847,598. The first quarter interest isn't representative of our earnings for the year as approximately 1/3 of the portfolio pays interest either semiannually or upon maturity. We will monitor investment earnings closely each month and adjust the budget where necessary.



VIII. PORTFOLIO GROWTH

The following is a comparison of the investment portfolio at the date indicated:

Type of Investment:	12/31/2008	6/30/2008	12/31/2007	6/30/2007
SBA	\$ 4,080	\$ 4,064	\$ 4,000	\$ 212,772,964
FLGIT	14,511,387	14,457,467	14,339,841	13,795,649
Certificates of Deposit	51,000,000	91,000,000	81,000,000	65,000,000
U. S. Agencies	21,051,900	27,008,880	63,248,456	57,440,517
SunTrust NOW Acct	11,636,581	11,565,100	11,408,004	11,131,477
US Treasuries	91,462,204	87,301,134	62,452,414	-
Wachovia	106,612,034	86,119,644	147,329,656	-
Total	\$ 296,278,186	\$ 317,456,289	\$ 379,782,371	\$ 360,140,607

Portfolio requirements from our investment policy:

No more than 60% invested in certificates of deposit
 No more than 30% invested in US government agencies
 No more than 30% in any one institution

December 31, 2008 portfolio balance: \$296,278,186
 60% equals \$177,766,912
 30% equals \$ 88,883,456

Amount invested in certificates of deposit: \$ 51,000,000 which is less than \$177,766,912

Amount invested in US agencies: \$21,051,900 which is less than \$88,883,456

Amount at any one institution: Wachovia \$106,612,034,909 which is less than \$88,883,456

We are in compliance with our policy for portfolio limits, except for the balance at Wachovia. We are in the process of investing \$25,000,000 in excess operating funds which will bring us into compliance.

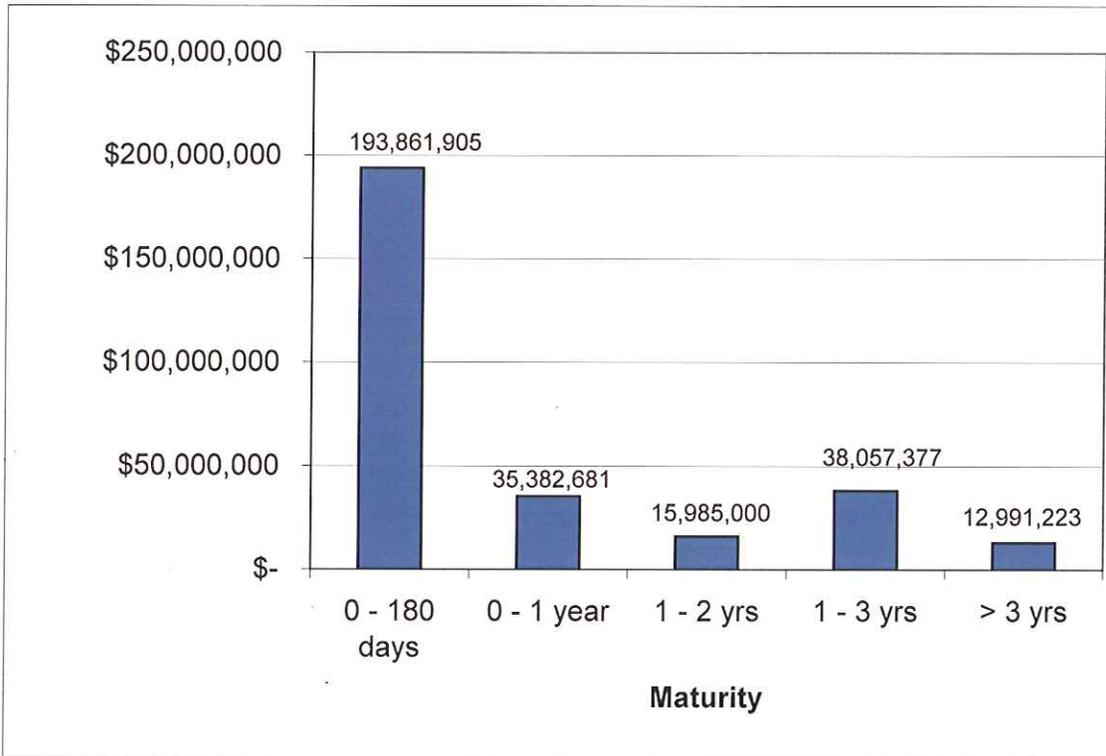
CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
December 31, 2008
Exhibit A

Maturity Date	Type of Investment	Cost at 12/31/08	Market/Par Value at 12/31/2008	Yield
Short term Investments:				
N/A	SBA-All Accounts	\$ 4,080	\$ 4,080	0.99%
	Wachovia Demand Account	106,612,034	106,612,034	0.40%
	SunTrust NOW Account	11,636,581	11,636,581	0.17%
		<u>118,252,695</u>	<u>118,252,695</u>	
Certificates of Deposit:				
01/31/09	Colonial Bank	8,000,000	8,000,000	3.75%
02/26/09	Colonial Bank	2,000,000	2,000,000	2.61%
02/26/09	Colonial Bank	1,000,000	1,000,000	2.61%
03/03/09	Colonial Bank	3,500,000	3,500,000	2.61%
04/18/10	Colonial Bank	2,500,000	2,500,000	3.03%
05/12/10	Colonial Bank	5,000,000	5,000,000	3.14%
09/07/11	Colonial Bank	2,500,000	2,500,000	4.70%
09/18/11	Colonial Bank	2,000,000	2,000,000	4.70%
09/24/11	Colonial Bank	1,000,000	1,000,000	4.79%
09/26/11	Colonial Bank	2,000,000	2,000,000	4.79%
		<u>29,500,000</u>	<u>29,500,000</u>	
04/19/10	Riverside Bank	2,500,000	2,500,000	3.50%
06/20/11	Riverside Bank	4,000,000	4,000,000	3.25%
		<u>6,500,000</u>	<u>6,500,000</u>	
04/10/09	RBC Bank	5,000,000	5,000,000	3.50%
06/27/09	RBC Bank	5,000,000	5,000,000	3.34%
12/27/09	RBC Bank	5,000,000	5,000,000	3.45%
		<u>15,000,000</u>	<u>15,000,000</u>	
		<u>51,000,000</u>	<u>51,000,000</u>	
US Agency Securities:				
06/04/10	2 year note	FNMA 5,985,000	6,060,000	3.13%
06/24/11	3 year note	FNMA 3,014,070	3,045,930	4.00%
06/24/11	3 year note	FHLB 3,005,640	3,044,070	3.85%
07/21/11	3 year note	FHLB 6,026,280	6,112,500	4.20%
10/2/20012	5 year note	3,020,910	3,000,000	5.35%
		<u>21,051,900</u>	<u>21,262,500</u>	
US Treasuries: (excess operating funds)				
01/08/09	3 month bill	4,994,186	5,000,000	0.47%
01/29/09	6 month bill	4,973,278	5,000,000	1.92%
03/05/09	3 month bill	4,999,368	5,000,000	0.05%
03/26/09	6 month bill	4,965,923	5,000,000	1.83%
04/09/09	6 month bill	4,972,194	5,000,000	1.12%
06/04/09	6 month bill	4,989,131	5,000,000	0.44%
07/30/09	1 year bill	4,943,228	5,000,000	2.36%
09/24/09	1 year bill	4,951,377	5,000,000	2.01%
03/31/13	5 year note	4,923,438	5,000,000	2.60%
04/30/13	5 year note	5,046,875	5,000,000	3.16%
		<u>49,758,998</u>	<u>50,000,000</u>	

CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments
December 31, 2008
Exhibit A

	US Treasuries: (All bond funds)			
03/15/09	1.25 year note	15,079,650	15,073,200	2.65%
06/30/09	1.5 year note	6,135,480	6,136,620	4.88%
09/15/09	1.75 year note	15,213,300	15,318,750	3.38%
11/30/09	2 year note	5,274,776	5,328,960	3.13%
		<u>41,703,206</u>	<u>41,857,530</u>	
	Subtotal-Treasuries	91,462,204	91,857,530	
Various	FI Local Govt Invstmnt Trust	<u>14,511,387</u>	<u>14,511,387</u>	1.20%
	TOTAL	<u>\$ 296,278,186</u>	<u>\$ 296,884,112</u>	

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Cash and Investments-Maturity Distribution of Portfolio
December 31, 2008
Exhibit B**



Description	Time to Maturity	Amount
SBA	0 - 180 days	\$ 4,080
SunTrust NOW	0 - 180 days	11,636,581
Certificates of Deposit	0 - 180 days	24,500,000
US Agencies	0 - 180 days	-
US Treasuries	0 - 180 days	51,109,210
Wachovia	0 - 180 days	106,612,034
Certificates of Deposit	0 - one year	5,000,000
US Treasuries	0 - one year	30,382,681
Certificates of Deposit	One to two years	10,000,000
US Agencies	One to two years	5,985,000
US Treasuries	One to two years	-
Certificates of Deposit	One to three years	11,500,000
FLGIT	One to three years	14,511,387
US Agencies	One to three years	12,045,990
US Agencies	Over three years	3,020,910
US Treasuries	Over three years	9,970,313
Certificates of Deposit	Over three years	-
		<u>\$ 296,278,186</u>

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at December 31, 2008
Exhibit C**

Maturity Date	Type of Investment	(From 12/31/08)			Interest Rate	Weighted Average Interest
		Cost at 12/31/2008	Days Outstanding	Weighted Average		
Short term Investments:						
N/A	SBA-All Accounts	\$ 4,080	90	367,200	0.99%	3,635
	Wachovia Demand Account	106,612,034	1	106,612,034	0.40%	426,448
	SunTrust NOW Account	11,636,581	90	1,047,292,290	0.17%	1,780,397
		<u>118,252,695</u>		<u>1,154,271,524</u>		<u>2,210,480</u>
Certificates of Deposit:						
						0.19%
01/31/09	Colonial Bank	8,000,000	31	248,000,000	3.75%	9,300,000
02/26/09	Colonial Bank	2,000,000	57	114,000,000	2.61%	2,975,400
02/26/09	Colonial Bank	1,000,000	57	57,000,000	2.61%	1,487,700
03/03/09	Colonial Bank	3,500,000	62	217,000,000	2.61%	5,663,700
04/10/09	RBC Bank	5,000,000	100	500,000,000	3.50%	17,500,000
06/27/09	RBC Bank	5,000,000	178	890,000,000	3.34%	29,726,000
12/27/09	RBC Bank	5,000,000	361	1,805,000,000	3.45%	62,272,500
04/18/10	Colonial Bank	2,500,000	473	1,182,500,000	3.03%	35,829,750
04/19/10	Riverside Bank	2,500,000	474	1,185,000,000	3.50%	41,475,000
05/12/10	Colonial Bank	5,000,000	497	2,485,000,000	3.14%	78,029,000
06/20/11	Riverside Bank	4,000,000	901	3,604,000,000	3.25%	117,130,000
09/07/11	Colonial Bank	2,500,000	980	2,450,000,000	4.70%	115,150,000
09/18/11	Colonial Bank	2,000,000	991	1,982,000,000	4.70%	93,154,000
09/24/11	Colonial Bank	1,000,000	997	997,000,000	4.79%	47,756,300
09/26/11	Colonial Bank	2,000,000	999	1,998,000,000	4.79%	95,704,200
		<u>51,000,000</u>		<u>19,714,500,000</u>		<u>753,153,550</u>
						3.82%
US Agency Securities:						
06/04/10	2 year note FNMA	5,985,000	520	3,112,200,000	3.13%	97,411,860
06/24/11	3 year note FNMA	3,014,070	905	2,727,733,350	4.00%	109,109,334
06/24/11	3 year note FHLB	3,005,640	905	2,720,104,200	3.85%	104,724,012
07/21/11	3 year note FHLB	6,026,280	932	5,616,492,960	4.20%	235,892,704
10/02/12	5 year note FHLMC	3,020,910	1371	4,141,667,610	5.30%	219,508,383
		<u>21,051,900</u>		<u>18,318,198,120</u>		<u>766,646,293</u>
						4.19%
US Treasuries: (excess operating funds)						
01/08/09	3 month bill	4,994,186	8	39,953,488	0.47%	187,781
01/29/09	6 month bill	4,973,278	29	144,225,062	1.92%	2,769,121
03/05/09	3 month bill	4,999,368	64	319,959,552	0.05%	159,980
03/26/09	6 month bill	4,965,923	85	422,103,455	1.83%	7,724,493
04/09/09	6 month bill	4,972,194	99	492,247,206	1.12%	5,513,169
06/04/09	6 month bill	4,989,131	155	773,315,305	0.44%	3,402,587
07/30/09	1 year bill	4,943,228	211	1,043,021,108	2.36%	24,615,298
09/24/09	1 year bill	4,951,377	267	1,322,017,659	2.01%	26,572,555
03/31/13	5 year note	4,923,438	1551	7,636,252,338	2.60%	198,542,561
04/30/13	5 year note	5,046,875	1581	7,979,109,375	3.16%	252,060,065
		<u>49,758,998</u>		<u>20,172,204,548</u>		<u>521,547,611</u>
						2.59%

**CLERK OF COURTS
LAKE COUNTY, FLORIDA
Average Maturity at December 31, 2008
Exhibit C**

Maturity Date	Type of Investment	(From 12/31/08)		Weighted Average	Interest Rate	Weighted Average Interest
		Cost at 12/31/2008	Days Outstanding			
US Treasuries: (All bond funds)						
03/15/09	1.25 year note	15,079,650	74	1,115,894,100	2.65%	29,571,194
06/30/09	1.5 year note	6,135,480	181	1,110,521,880	4.88%	54,137,942
09/15/09	1.75 year note	15,213,300	258	3,925,031,400	3.38%	132,469,810
11/30/09	2 year note	5,274,776	334	1,761,775,184	3.13%	55,055,475
		<u>41,703,206</u>		<u>7,913,222,564</u>		<u>271,234,420</u>
						3.43%
Various	FI Local Govt Invstmnt Trust	<u>14,511,387</u>	971	<u>14,089,105,638</u>	1.20%	<u>168,505,703</u>
	TOTAL	<u>\$ 296,278,186</u>		<u>\$ 81,361,502,394</u>		<u>2,483,298,057</u>
	Weighted Avg Maturity	274.61	Days	Weighted average		
		0.75	Years	interest rate =		3.052%